

Department of Planning and Budget 2005 Fiscal Impact Statement

1. Bill Number HB 1738

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron Cosgrove

3. Committee Passed Both Houses

4. Title Line of Duty Act

5. Summary/Purpose: The bill would provide that any state employee included in the definition of a deceased person under the Line of Duty Act who was disabled on or after January 1, 1972, shall be entitled to receive health insurance coverage fully paid for by the Commonwealth beginning July 1, 2005. (Under current law, any eligible person disabled on or after July 1, 2000, is entitled to receive health insurance coverage fully paid for by the Commonwealth.) The bill also would provide that, in addition to any other benefit provided by law, if an employee of the Commonwealth or of any political subdivision has been called to federal active duty services under Title 10 of the United States Code, the Commonwealth shall provide an additional death benefit in the amount of \$20,000 to be paid if the employee is killed in action in any armed conflict while serving with any reserve component of the Army, Navy, Marine Corps, Air Force, or Coast Guard or with any unit of these respective services of the United States.

6. Fiscal impact: DPB cannot estimate with precision the fiscal impact associated with this bill. The fiscal impact would depend on a number of factors, including the number of eligible state employees disabled between January 1, 1972 and July 1, 2000, the number of such individuals who file claims, and the costs associated with health insurance coverage. Based on information provided by the Departments of State Police, Forestry, Game and Inland Fisheries, Conservation and Recreation, and the Marine Resources Commission, DPB estimates that approximately 98 employees from those agencies would qualify for health insurance coverage fully paid for by the Commonwealth under the provisions of the bill. The FY 2006 costs associated with this coverage could range from just over \$300,000 (single coverage under the basic state health plan) to a little more than \$1.0 million (family coverage under the basic state health plan). The actual costs for these individuals would likely fall somewhere within this range. DPB cannot estimate the potential additional costs associated with other state employees who might be entitled to benefits under the provisions of the bill. DPB also cannot estimate any potential additional costs associated with the additional death benefit for state employees who are military reservists.

7. Budget amendment necessary: No. HB 1500 as passed by the General Assembly included an additional \$700,000 (general fund) in FY 2006 for Line of Duty Act payments.

8. Fiscal implications: See Item 6.

9. Specific agency or political subdivisions affected: Department of Accounts Transfer Payments; Department of State Police; Department of Corrections; Department of Alcoholic Beverage Control; Department of Game and Inland Fisheries; Department of Forestry; Marine Resources Commission; Department of Emergency Management; Department of Conservation and Recreation.

10. Technical amendment necessary: No.

11. Other comments: This bill is identical to HB 1793 as enrolled.

Date: 03/08/2005 / mar

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cc: Secretary of Finance
Secretary of Public Safety
Secretary of Natural Resources
Secretary of Commerce and Trade